

**ISB Core Systems Committee Meeting Minutes – February 12, 2004**

Department of Information Services Boardroom, The Forum Building  
Olympia, Washington

***Members Present:***

Emilio Cantu  
Stuart McKee

***Members Absent:***

Marty Daybell  
Mary McQueen

***Other Attendees:***

Tom Fitzsimmons

**DSHS e-Child Care Introduction**

The Department of Social and Health Services (DSHS) Economic Services Administration (ESA) Division of Child Care and Early Learning (DCCEL) introduced the proposed e-Child Care project. Representatives from DSHS included Rachael Langen, DCCEL Program Manager; Rob St. John, ESA IS Director; and Linda Jo Demery, e-Child Care Project Manager.

DSHS reviewed the mission and goals of DCCEL. The committee asked how Washington compares to other states in terms of day care population, subsidy dollars, and how families and children are served. Mr. Fitzsimmons asked Ms. Langen to distinguish how the DCCEL child care programs are different from what CTED ECAP and OSPI provide. The committee wanted to know what impact this project would have on DSHS' existing Social Services Payment System (SSPS). The committee stated that the projects cost benefit analysis (CBA) needed to include the size of the overpayments as well as the estimated reduction that the new system would address. The committee asked DSHS to identify the alternatives being considered and to estimate how long after procurement did they estimate before the system would be operational.

**DSHS MMIS Reprocurement**

This was the second presentation to the committee on the DSHS Medical Assistance Administration (MAA) Medicaid Management Information System (MMIS) Reprocurement Project. This project presented to the committee in 2003. Representative from DSHS included Doug Porter, MAA Assistant Secretary; Heidi Robbins-Brown; MAA Deputy Assistant Secretary; John Anderson, MMIS Reprocurement Project Manager; and Gena Cruciani, MMIS Reprocurement Deputy Project Manager.

DSHS reviewed the current status of MMIS; the system

processes over \$3 billion in health care services annually, representing over 24 million claims, 1 million clients, and 40,000 providers. It is a 1970s technology system with over 3 million lines of COBOL in 1,500 programs. DSHS stated that the federal Centers for Medicare and Medicaid Services (CMS) have already stated they will not fund another extension to the current MMIS system past the December 2006 contract expiration. Replacement of the current system currently qualifies for 90/10 federal match.

DSHS stated they have received approval from the ISB to extend the contract through December 2007, have collected and validated system requirements, and completed the requirements analysis (feasibility study). They have surveyed 17 states that recently procured MMIS systems, have performed the cost benefit analysis, and established their evaluation criteria for a new system.

Four options were considered and two met DSHS' business requirements; system transfer and custom development. The analysis has resulted in DSHS selecting the system transfer option. DSHS estimated that customer development would cost three times more than a transfer approach. DSHS' assumptions are that the new system would result in program improvements, operational enhancements, reductions in mis-payments, and administrative improvements.

DSHS identified several risks: an aggressive schedule; a broad stakeholder base; market conditions (estimated that 25 states will reprocure in the next 18-24 months; scope management; and, CMS has said they will not grant any extensions to the current contract past December 2006. This last risk creates a situation where there is no contingency/slack in the schedule.

DSHS intends to submit its RFP/APD (Advanced Planning Document) to CMS in May, release the RFP in July, and have a final contract in November. Each of these steps requires a 60-day review by CMS.

The committee asked if the federal 90/10 funding was at risk; DSHS stated that the President's budget proposed to reduce the split to 75/25, although this had not yet passed. Members asked for a copy of the feasibility study prior to the ISB meeting. The committee wanted to know the extent to which users were involved in determining the requirements. DSHS stated there were many JAD sessions with the end users representing over 1,600 months of participation. The committee wanted to know if DSHS had included state staff costs in the financials; they were included.

The committee stated some concern about the proposed two-

year implementation plan. They wanted to know why it was so long and what the phases were, if any.

The committee was concerned about state self-sufficiency in the long run. Did DSHS have a contingency if the vendor was to go out of business? DSHS stated that CMS would be requiring the reprourement of the operations and maintenance contract on a more frequent basis, approximately every seven years.

The committee wanted to know if receiving approval to proceed at the upcoming March 18, 2004 ISB meeting was critical to the project timeline. DSHS stated it is critical.

The committee had the following comments/recommendations:

- Identify any risk associated with contract termination dates
- Identify the external QA
- Identify if there are any anticipated benefits to the clients and providers and what those might be
- Address the project organization at the ISB meeting
- Identify if there are other projects that would pose a risk to this one
- Are there other administrations/agencies with MMIS needs? Is it possible to share any part of the new system?
- Does the proposed budget contain reasonable contingency? The legislature should understand that the range of costs is all that is possible at this stage and the numbers could change based upon the RFP responses.
- Be ready to address the estimated probability of success

## **Adjournment**

The meeting was adjourned.